An Emirates NBD Company

NBD INVESTMENT BANK

Aafaq Investment Funds

NBD Mena Fund

Fund Manager's Commentary ***November 2007***

The GCC markets ended the month of November on a mixed note with four out of the seven markets posting negative performance. This comes on the back of a very strong performance in the month of October. The worst performing market was the Kuwaiti market which fell 5.60% as good third quarter results were not enough to attract fresh buying activity as most of the positive news was to a large extent already priced in.

ADSM, BSE and DSM fell 2.54%, 1.98% and 0.58% respectively on what could be considered an expected pullback after very strong performance in October. The best performing market in the GCC in the month of November was the Saudi market with TASI up 9.78%, as it tried to catch up with other GCC markets. Nonetheless, we are cautiously monitoring the Saudi market as excessive speculation has resurfaced again, driving valuations to over stretched and unsustainable levels. The Omani market continued its stellar performance adding another 5.26% as foreign investors continued building positions motivated mainly by a very tempting macro story in addition to reasonable valuations. The DFM managed to add 1.43% on the back of strong gains in October.

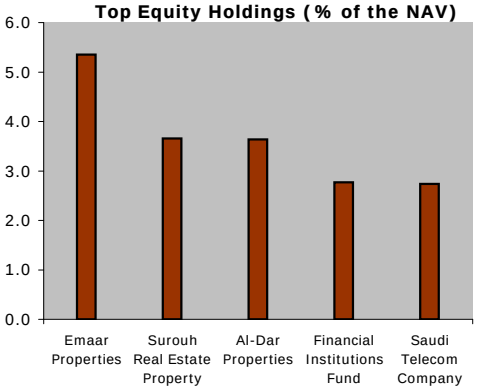
Amongst the other MENA markets, Jordan was the biggest gainer again in November after an outstanding performance in October with the ASE gaining 4.42%. The influential Arab bank rallied on news that it will increase its capital through bonus shares driving buying activity in the whole market. Turkey was the worst performer in November with the ISE 100 falling 7.70% as sub prime fears and rumors of more write offs affected sentiment negatively and increased risk aversion amongst investors. Egypt performed well in November posting a gain of 3.24% driven mainly by Telecom and the real estate sector, as investors were building positions in real estate names in anticipation of good performance of the Talat Moustafa Group IPO.

The defensive strategy the fund adapted in November to preserve the strong gains realized in October was successful as the NAV increased 0.56% in November to end the month at AED 10.61.

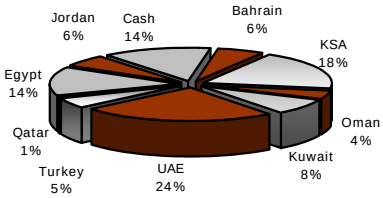
The fund sold into market strength in positions that we viewed as either having reached or exceeded our estimated fair value. We maintained the same weightings on some of our long term core holdings and took advantage of pullbacks to build new positions or add to existing ones. This resulted in a decrease in the cash position from 28% to 14%. Other major changes included lowering the Qatari portion from 5% to 1% and almost doubling Bahraini exposure from 3% to 6%, as we strongly believe there are interesting and very attractive opportunities in the Bahraini market. Emaar and Abu Dhabi real estate companies continue to be our biggest overweights in the fund as we strongly believe that shares offer more upside than downside at these levels and still have more room to go. As a "stock picking" market awaits us we are looking for unconventional and ignored opportunities.

FUND DATA	
NAV/UNIT (AED)	10.61
Fund Size (AED mn)	407
Returns: Month to Date (%)	0.56
Year to Date (%)	28.42
Since Inception (%)	6.09
(Nov 2005)	
Annualized Returns:	
2005 (%)	n/a
2006 (%)	-17.87
Since Inception (%)	6.10
Annualized Std. Dev. (%)	17.49
(Since Inception)	
P/E (Trailing)	17.18

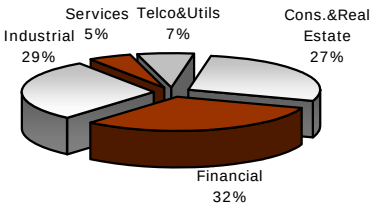
Top Equity Holdings (% of the NAV)



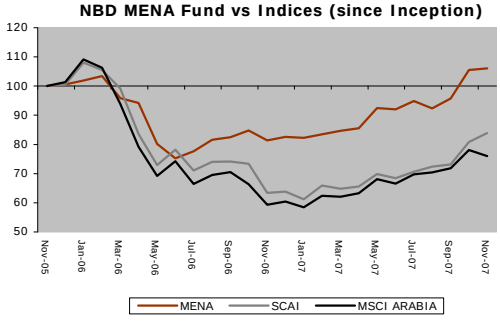
Asset Allocation



Equity Sector Allocation



NBD MENA Fund vs Indices (since Inception)



FUND DETAILS			
Type of Fund	Open Ended	**Manager**	NBD Investment Bank
Fund Currency	UAE Dirham	**Subscription / Redemption**	Daily
Min. Initial Subs. (AED)	50,000	**Management Fee**	2.00%
Min. Subsequent Subs. (AED)	25,000	**Performance Fee**	10% gains over hurdle rate of 10%
Bloomberg Code / Zawya Code	NBDMENA UH/NBDMENA.MF	**Subs. / Redemption Fee**	Up to 2.5%/1.5% for Investor Yr 1, 1% for Investor Yr 2
Administrator	APEX Fund Services (Dubai) Ltd.	**Custodian**	Gulf Investment Corporation

INVESTMENT OBJECTIVE-The fund seeks capital growth by investing in a portfolio of MENA listed equities

Head of Asset Management	Fund Management Team
Farah Foustok	Fadi Al Said and Anita Shetty

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NBD Investment Bank Limited is regulated by the Dubai Financial Services Authority.

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